

# Iowa High Quality Healthcare Initiative

## Capitation Rate Update

**Presented by**

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# Agenda

Introduction / Background

Summary of Capitation Rates

Base Data Development

Adjustments to Base Experience

Minimum Medical Loss Ratio

Q & A

Limitations

# Introduction/Background

- RFP # MED 16-009
- New Data Book Narrative
  - Includes updated assumptions, methodology, and capitation rates
- Shift to Deterministic Rate (Instead of Rate Ranges)
- Key Updates
  - Data Book
  - Rate cell definition, including maternity case rate
  - Covered populations
  - Rate development assumptions: trend, MC adjustments, admin
  - Rates now exclude provision for health insurer fee (will be paid at a later date)

# January 2016 Capitation Rates (Appendix A)

## Children & Non-H&W Adults

Rate Cell	Gross	Net
Children 0-59 days M&F	\$ 1,918.47	\$ 1,880.10
Children 60-364 days M&F	216.53	212.20
Children 1-4 M&F	117.00	114.66
Children 5-14 M&F	126.58	124.05
Children 15-20 F	217.96	213.60
Children 15-20 M	197.90	193.94
Non-Expansion Adults 21-34 F	311.43	305.20
Non-Expansion Adults 21-34 M	210.07	205.87
Non-Expansion Adults 35-49 F	458.23	449.07
Non-Expansion Adults 35-49 M	378.04	370.48
Non-Expansion Adults 50+ M&F	534.78	524.08
Pregnant Women	329.94	323.34
hawk-i	155.65	152.53

# January 2016 Capitation Rates (Appendix A)

## Maternity Case Rate; Family Planning; Community Duals

Rate Cell	Gross	Net
TANF Maternity Case Rate	\$ 6,096.11	\$ 5,974.19
Pregnant Women Maternity Case Rate	5,448.65	5,339.68
Family Planning Waiver	\$ 22.54	\$ 22.09
Dual Eligible 0-64 M&F	\$ 448.19	\$ 439.23
Dual Eligible 65+ M&F	404.14	396.06

# January 2016 Capitation Rates (Appendix A)

## Health & Wellness Plan Adults

Rate Cell	Gross	Net
H&W Plan 19-24 F (Medically Exempt)	\$ 232.37	\$ 227.72
H&W Plan 19-24 M (Medically Exempt)	226.36	221.83
H&W Plan 25-34 F (Medically Exempt)	329.75	323.15
H&W Plan 25-34 M (Medically Exempt)	329.47	322.88
H&W Plan 35-49 F (Medically Exempt)	526.07	515.55
H&W Plan 35-49 M (Medically Exempt)	513.42	503.15
H&W Plan 50+ M &F (Medically Exempt)	663.71	650.44
H&W Plan 19-24 F (Non-Medically Exempt)	\$ 183.79	\$ 180.11
H&W Plan 19-24 M (Non-Medically Exempt)	179.01	175.43
H&W Plan 25-34 F (Non-Medically Exempt)	261.30	256.07
H&W Plan 25-34 M (Non-Medically Exempt)	261.07	255.85
H&W Plan 35-49 F (Non-Medically Exempt)	417.55	409.20
H&W Plan 35-49 M (Non-Medically Exempt)	407.49	399.34
H&W Plan 50+ M&F (Non-Medically Exempt)	527.10	516.56

# January 2016 Capitation Rates (Appendix A)

## Aged, Blind and Disabled non-dual, Breast and Cervical Cancer, and Residential Care Facility

Rate Cell	Gross	Net
ABD Non-Dual <21 M&F	\$ 595.69	\$ 583.78
ABD Non-Dual 21+ M&F	1,134.16	1,111.48
Breast and Cervical Cancer	1,625.30	1,592.79
Residential Care Facility	1,751.11	1,716.09

# January 2016 Capitation Rates (Appendix A)

## Long-Term Populations (Non-ID/MH)

Rate Cell	Medical		LTSS*	
	Gross	Net	Gross	Net
Custodial Care Nursing Facility 65+	\$ 121.41	\$ 118.98	\$ 4,171.46	\$ 4,088.03
Elderly HCBS Waiver	242.48	237.63	1,107.37	1,085.22
Custodial Care Nursing Facility <65	\$ 706.45	\$ 692.32	\$ 4,750.26	\$ 4,655.25
Non-Dual Skilled Nursing Facility	2,442.35	2,393.50	22,597.34	22,145.39
Dual HCBS Waivers: PD; H&D	355.86	348.74	1,202.02	1,177.98
Non-Dual HCBS Waivers: PD; H&D; AIDS	1,602.50	1,570.45	1,672.82	1,639.36
Brain Injury HCBS Waiver	799.95	783.95	2,583.43	2,531.76

**\*Actual Paid Rates will be blended with an assumed % rebalancing of the population**



# January 2016 Capitation Rates (Appendix A)

## Long-Term Populations (Non-ID/MH)

Rate Cell	Enrollment Distribution		LTSS Capitation
	Data	Rebalanced	
Custodial Care Nursing Facility 65+	53.7%	50.2%	\$ 4,088.03
<u>Elderly HCBS Waiver</u>	<u>46.3%</u>	<u>49.8%</u>	<u>1,085.22</u>
LTSS – Elderly (~667 Members Rebalanced)			\$ 2,592.98
Custodial Care Nursing Facility <65	29.7%	27.2%	\$ 4,655.25
Non-Dual Skilled Nursing Facility	1.4%	1.4%	22,145.39
Dual HCBS Waivers: PD; H&D	24.4%	25.3%	1,177.98
Non-Dual HCBS Waivers: PD; H&D; AIDS	24.4%	25.2%	1,639.36
<u>Brain Injury HCBS Waiver</u>	<u>20.1%</u>	<u>20.9%</u>	<u>2,531.76</u>
LTSS – Non-Dual and/or Pre-65 (~145 Members Rebalanced)			\$ 2,808.77

# January 2016 Capitation Rates (Appendix A)

## Long-Term Populations (ID/MH)

Rate Cell	Medical		LTSS*	
	Gross	Net	Gross	Net
ICF/ID	\$ 455.29	\$ 446.18	\$ 10,202.86	\$ 9,998.80
State Resource Center	179.82	176.22	25,769.28	25,253.89
Intellectual Disability HCBS Waiver	515.18	504.88	3,322.69	3,256.24
Children in a Psychiatric Mental Institute (PMIC)	\$ 592.33	\$ 580.48	\$ 5,670.39	\$ 5,556.98
Children's Mental Health HCBS Waiver	938.42	919.65	1,042.81	1,021.95

**\*Actual Paid Rates will be blended with an assumed % rebalancing of the population**

# January 2016 Capitation Rates (Appendix A)

## Long-Term Populations (ID/MH)

Rate Cell	Enrollment Distribution		LTSS* Capitation
	Data	Rebalanced	
ICF/ID	11.0%	10.2%	\$ 9,998.80
State Resource Center	3.0%	2.8%	25,253.89
Intellectual Disability HCBS Waiver	<u>86.0%</u>	<u>87.0%</u>	<u>3,256.24</u>
LTSS – Intellectual Disability (137 Members Rebalanced)			\$ 4,557.12
Children in a Psychiatric Mental Institute (PMIC)	38.2%	35.2%	\$ 5,556.98
Children's Mental Health HCBS Waiver	<u>61.8%</u>	<u>64.8%</u>	<u>1,021.95</u>
LTSS – Children's Mental Health (38 Members Rebalanced)			\$ 2,616.10

# Data Sources

## MMIS

- Fee-for-service
- MediPASS
- Blended together in Data Book

## Encounter Data

- Voluntary HMO including H&W Plan
- Iowa Plan BH including H&W Plan
- hawk-i

## Time Period

- SFY 2014 Incurred
- Paid/Submitted through December 2014

## Additional Sources

- NEMT PMPM Add-on
- Gross Adjustments
- MCO Contracts (per RFP)

# Covered Populations (Table 1 of Rate Cert.)

## Mandatory Populations

- TANF/CHIP
- Foster Children
- Adoption Assistance
- Pregnant Women
- Health and Wellness Plan
- Family Planning
- ABD Dual & Non-Dual
- Breast and Cervical Cancer
- hawk-i

## Voluntary Populations

- American Indian/Alaskan Native
- Experience included in TANF Rate Cells

## Excluded Populations

- Medically Needy
  - Spenddown &
  - Non-Spenddown
- Undocumented Immigrants
- Retroactive Eligibility Periods
- PACE
- HIPP
- Medicare Savings
- Experience excluded from base data
- IowaCare also excluded

## Covered Services (Table 2 of Rate Cert.)

State Plan Medical

Behavioral Health (Iowa Plan)

Long-Term Institutional

Home and Community Based  
Services (1915(c) Waivers)

## Excluded Services (Pg. 14 of Rate Cert.)

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Dental (except emergency in outpatient hospital)

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PCCM fees, ACO fees, and ASO fees

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Local Education Agency / Area Education Agency / Infant & Toddler Program

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State supplemental payments to RCFs

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Money follows the person covered services

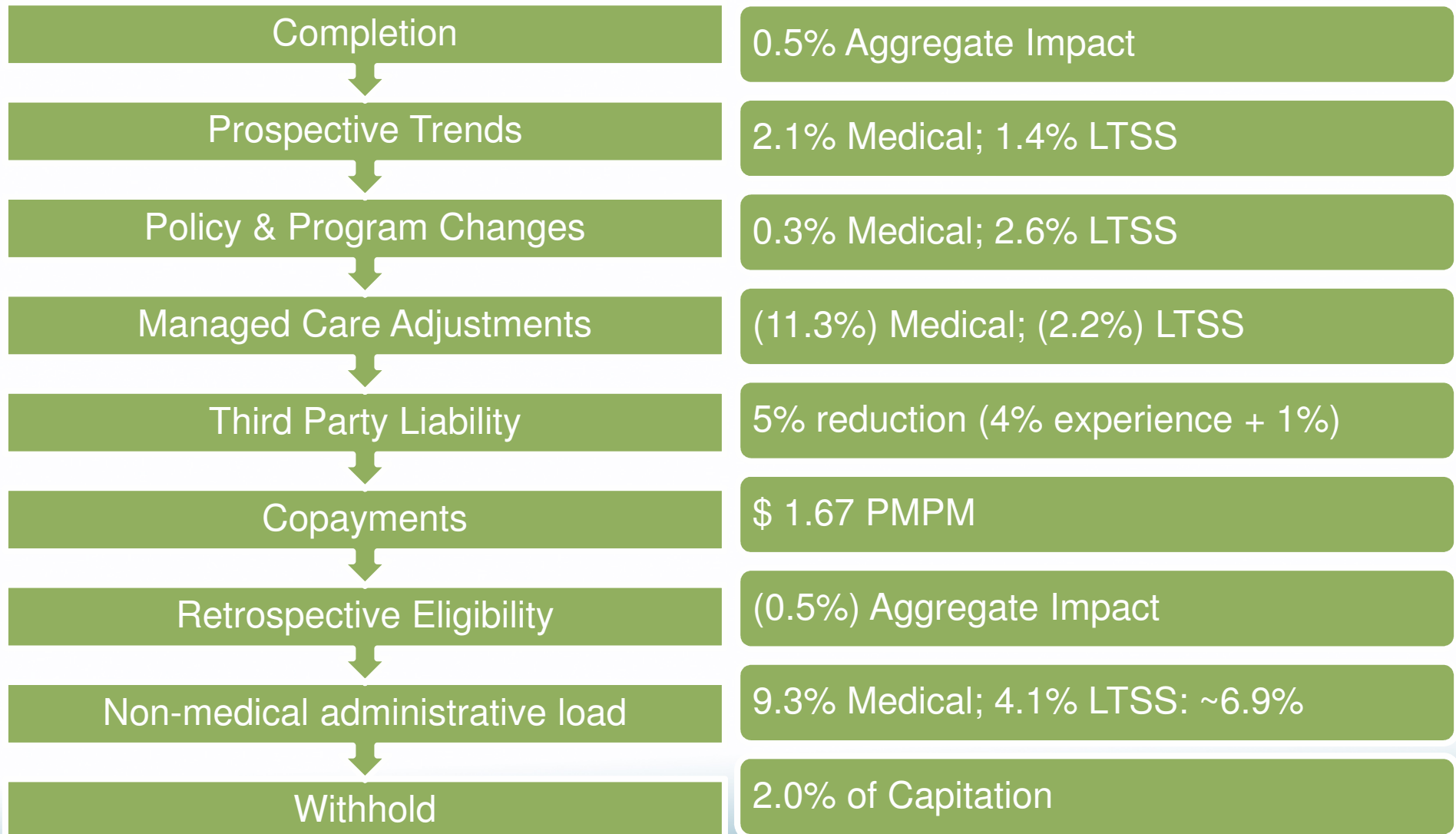
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Services of Iowa Veteran's Home

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Graduate Medical Education, Disproportionate Share Hospital payments, and other supplemental payments

# Adjustments to Base Data





# LTSS Population Rebalancing (Table 11)

Elderly: 3.5%

Non-Dual and/or Pre-65: 2.5%

Intellectual Disability: 1.0%

Children's Mental Health: 3.0%

# Medical Loss Ratio

Minimum of 88%

Capitation Rates priced at 93%

Allows for additional  
risk/contingency margin

Included in contract

# Limitations

The services provided for this project were performed under the contract between Milliman and State of Iowa dated July 17, 2014 and amended January 26, 2015.

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